



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill #	HB0223	Title:	Revise cost of death certificates and use for funding board of funeral service
Primary Sponsor:	Clark, Christy	Status:	As Amended in House Committee

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|--|--|--|
| <input checked="" type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$1,725	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$185,181	\$185,181	\$185,181	\$185,181
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: HB 223 revises the minimum death certificate fees and provides for \$3.00 of each fee to be transferred to the Department of Labor and Industry to be deposited into a state special revenue account for use by the Board of Funeral Services. The fiscal impact of this bill is the increase in revenue for the Board of Funeral Services and counties and expenses for the board to send members to report to the committee in FY 2016. A termination date of June 30, 2017 has been added.

FISCAL ANALYSIS

Assumptions:

Department of Labor and Industry (DLI)

1. The Montana Association of Counties (MACO), sent a survey to each county in Montana requesting information regarding issuance of death certificates and copies, the number of indigent deaths in each county, and the cost to provide indigent burial services, as well as whether any allowance was provided in the county budget to cover costs of indigent burials in Fiscal Year 2014. Forty three counties responded and reported issuing 48,790 certificates or copies of death certificates. Some counties responding indicated that they do not track the number of death certificates issued. Based on population figures for the number of

counties that did not report versus the number that did, MACO estimates that an additional 12,053 death certificates were issued that were not reported in the survey for a total of 60,843.

2. The bill increases the fees counties charge for certified death certificates and copies. The bill directs counties to forward to the Board of Funeral Services, on a monthly basis, \$3.00 of each fee charged for death certificates and copies. The remainder of fees collected will be deposited to county funds.
3. The Department of Labor and Industry, to which the Board of Funeral Services is administratively attached, cannot attest to the accuracy of the survey results from MACO. However, based on the numbers presented, DLI assumes that 60,843 death certificates and copies of death certificates were issued by counties in 2014. If this legislation passes, approximately \$182,529 would be deposited in the fund for the Board of Funeral Services annually (60,843 death certificates and copies x \$3 per certificate or copy).
4. It is assumed revenue will vary year to year.
5. There will be costs to the board to report to the EAIC committee in each even numbered year. It is assumed two board members would represent the board and would attend two committee meetings over the course of a year. Total costs are estimated to be \$1,475. Costs include two board members per diem for four days travel and attendance, \$400; lodging for two members for two nights, \$364; meals, \$136; and travel, \$575.
6. Based on the amendment made to the initial bill, the board may not reduce licensing fees. The bill terminates in two years so it is assumed fees would not need to be increased to cover the additional cost of board reporting. It is also assumed there would be a review as to the feasibility of this directive next biennium.
7. The board will be allowed to keep death certificate revenue up to the same amount of revenue brought in by licensing fees in a given year; any revenue in excess of that combination will be transferred to the general fund.

Department of Public Health and Human Services**8. Public Health and Safety Division (PHSD)**

- a. The bill establishes a minimum fee for death certificates that PHSD must charge at \$15 for first copy, \$8 for additional copies and \$13 for noncertified copies.
- b. Current fees for death certificates are \$12 for the first copy, \$5 for additional copies and \$10 for noncertified copies.
- c. PHSD issues an estimated 884 death certificates each year. Fees will increase by \$3 for each type of death certificate.
- d. For each type of death certificate issued, PHSD would transfer the \$3 of increased revenue to DLI.
- e. The total of \$2,652 in revenue would be transferred to DLI.

9. Director's Office

- a. Administrative Rules for the fees for death certificates will need to be changed. Administrative Rules changes cost \$50 per page. It is estimated there will be five pages of rule changes required as a result of this bill for a total one-time only cost of \$250.

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Personal Services (board cost)	\$400	\$0	\$0	\$0
Operating Expenses (board cost)	\$1,075	\$0	\$0	\$0
Operating Expenses (DPHHS)	\$250	\$0	\$0	\$0
TOTAL Expenditures	\$1,725	\$0	\$0	\$0
<u>Funding of Expenditures:</u>				
State Special Revenue (02)	\$1,725	\$0	\$0	\$0
TOTAL Funding of Exp.	\$1,725	\$0	\$0	\$0
<u>Revenues:</u>				
State Special Revenue (02)	\$186,656	\$185,181	\$185,181	\$185,181
TOTAL Revenues	\$186,656	\$185,181	\$185,181	\$185,181
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
State Special Revenue (02)	\$184,931	\$185,181	\$185,181	\$185,181

Effect on County or Other Local Revenues or Expenditures:**Montana Association of Counties (MACO)**

- Although it is not known how many or the type of copies that will be requested, revenue to the counties will increase. For example purposes of this fiscal note: if it is assumed that 12,169 of the 60,843 death certificates and copies reported to have been issued in 2014 are certified copies, and the remaining 48,674 are additional copies issued at the same time, the increase in revenue to counties would be \$206,869.

Estimated 60,843 death certificates and copies issued in 2014	Total Charge	County Revenue	DLI
12,169 Certified copies at \$15.00	\$ 182,535	\$ 146,028	\$ 36,507
48,674 Additional copies at \$6.00	\$ 292,044	\$ 146,022	\$ 146,022
Total Revenue	\$ 474,579	\$ 292,050	\$ 182,529
\$3 charged today	\$ 182,529	\$ 182,529	\$ -
Increase in revenue	\$ 292,050	\$ 109,521	\$ 182,529

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date